



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

June 27, 2014

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To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. Fujioka", is written over the printed name and title.

WASHINGTON, D.C. UPDATE ON THE WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

Executive Summary

On June 25, 2014, the Senate passed, 95 to 3, H.R. 803, the Workforce Innovation and Opportunity Act (WIOA), legislation which would extend the authorization for Workforce Investment Act (WIA) programs for the first time since WIA was enacted in 1998. The Senate-passed bill is a bipartisan/bicameral compromise between the previous Senate-passed WIA bill (S. 1356) and House-passed "SKILLS" Act (H.R. 803). H.R. 803 is expected to be cleared by the House and signed into law by the President sometime this July after Congress returns from its Independence Day recess.

As passed by the Senate, the WIOA is much closer to current law and S. 1356 than the SKILLS Act, which would have significantly changed Federal workforce programs by eliminating 35 existing Federal workforce programs, including the Supplemental Nutrition Assistance Program (SNAP) Employment and Training, Title V Older Americans Act (OAA) Employment, Refugee Social Services, and many WIA competitive grant programs, with their funding consolidated into a new Workforce Investment Fund, which would be funded at a lower level and block-granted to states. The WIOA bill, instead, eliminates 15 programs of which only one small competitive grant program (Workforce Innovation Fund) received any Federal Fiscal Year (FFY) 2014 funding. The basic funding and administrative structures of WIA Title I Adult, Dislocated Worker, and Youth formula grants through which the County currently receive funding are not changed by H.R. 803.

"To Enrich Lives Through Effective And Caring Service"

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Highlights of the Workforce Innovation and Opportunity Act (WIOA)

The WIOA (H.R. 803) repeals and replaces WIA with new authorization language which uses the same program names, funding, and administrative structures as WIA. Therefore, H.R. 803 essentially is a WIA reauthorization bill except that it changes the name of the act from WIA to the Workforce Innovation and Opportunity Act (WIOA). The bill extends the authorization for WIA programs through FFY 2020 with funding for Title I formula grants authorized in FFY 2015 at their enacted FFY 2014 appropriation levels and authorized at increased funding levels each year after FFY 2015:

Adult Grants increase from \$766.1 million in FFY 2015 to \$900.0 million by FFY 2020;

Dislocated Worker Grants increase from \$1.222 billion in FFY 2015 to \$1.436 billion by FFY 2020; and

Youth Grants increase from \$820.4 million in FFY 2015 to \$963.8 million by FFY 2020.

These annual authorization levels are caps on how much funds may be appropriated for these programs each year. Most Federal programs currently are funded below their authorization levels, and the statutory overall discretionary spending caps for upcoming fiscal years will make it more difficult for WIA programs to secure increased appropriations in future years.

Highlights of changes made by the WIOA include the following:

- Requires each state to develop a four-year state plan for each of the “core” WIOA Youth, Adult, Dislocated Worker, Adult Education, Vocational Rehabilitation, and Wagner-Peyser State Employment Service programs which includes a strategy for aligning all of the core programs by no later than 120 days before the start of the second full program year after the bill’s enactment. A state also may develop a combined state plan for one or more of the core WIOA programs and certain other programs and activities, including the Temporary Assistance for Needy Families, SNAP Employment and Training, and the OAA Employment program;
- Revises procedures for the governor of a state to designate workforce development areas in consultation with local officials and in consideration of labor markets and economic development regions in the state;
- Reduces the minimum number of local workforce investment board (WIB) members required by Federal law;

- Provides local WIBs with greater flexibility in meeting the training needs of individuals, such as by eliminating the requirement that an individual proceed through a sequence of core and intensive services before determining their eligibility for Federal-funded training services;
- Establishes a common set of six performance measures for adults and separately for youth under Federal workforce programs;
- Increases the minimum percentage of total youth funding that must be used to serve out-of-school youth from the current 30 percent to 75 percent though the bill greatly expands the definition of out-of-school youth to include any youth between age 16 and 24 who are not attending school and who meet one other criterion, such as being homeless, in foster care or aged out of foster care, in the justice system, disabled, or pregnant or parenting;
- Increases the maximum percentage of total Adult and Dislocated Worker funding that may be transferred by local WIBs between the two programs from 30 percent to 100 percent with the governor's approval; and
- Eliminates 15 workforce programs of which only one program -- the Workforce Innovation Fund, which was funded at \$47.3 million in FFY 2014 -- received any appropriation for FFY 2014. Eliminating these programs, therefore, would have little fiscal effect.

The effective date of the bill's changes generally will be the first day of the program year, which begins on July 1, 2015.

We will continue to keep you advised.

WTF:RA
MR:MT:ma

c: All Department Heads
Legislative Strategist